

MEMORANDUM FOR : []
SUBJECT : [] Subsidy to DTLINEN
DATE : 6 August 52

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

1. Attached are all the pertinent documents concerning the recent discontinuance of the Ford Foundation subsidy to the KgU. You will note that our first information on this subject was contained in the April Mission Progress Report (received here at the end of June). There are sufficient funds left to continue the [] sub-
sidy through 1 October 52. For the remaining nine months of 1953 FY, OPC will either have to absorb the difference or let the overt activities drop. The proposed bud-
get for FY 53 includes [] for DTLINEN. This amount, if approved in toto, will permit the expenditure of DM 50,000 per month for 12 months for covert activities and DM 30,000 per month for 9 months for overt activities.

2. In all the above traffic, both Berlin and [] have repeatedly emphasized their view that a continuance of at least the facade of SGRECORD support is desirable. The last paragraph of [] dispatch to Berlin states his case completely. The main reason, apparently, for the discontinuance has been poor reporting combined with a logical fear on the part of [] that the KgU is using its money for black operations. Assuming that better reporting and accounting procedures could be established within the KgU, do we want, in the light of the field's opinion, to reopen the subject of attempting to persuade [] to continue. OPC support (and control) of all the KgU's activities retains only the disadvantage of poorer cover.

Document No. _____
No Change in Class. <input checked="" type="checkbox"/>
<input type="checkbox"/> Declassified
Class. Changed to: <u>TOP SECRET</u>
Next Review Date: <u>09/10/10</u>
Auth: <u>HR 78-3</u>
Date: <u>9 OCT 1980</u>

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appropriate ops file - July/Aug 1952